

# CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

SBT Bancorp, Inc. / The Simsbury Bank & Trust Company

Point of Contact:	Anthony F. Bisceglia, EVP & CFO	RSSD: (For Bank Holding Companies)	3385100
UST Sequence Number:	151	Docket Number: (For Thrift Holding Companies)	N/A
CPP/CDCI Funds Received:	4,000,000	FDIC Certificate Number: (For Depository Institutions)	33999
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	N/A
Date Funded (first funding):	March 27, 2009	City:	Simsbury
Date Repaid <sup>1</sup> :	N/A	State:	Connecticut

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

For the year ending December 31, 2010, total loans increased by \$12 million, or 6%, over the prior year.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

For the year ending December 31, 2010, residential real estate loans increased by \$10 million, or 7%, over the prior year, commercial loans increase by \$1 million, or 5%, over the prior year, commercial real estate loans increased by \$2.5 million, or 9%, over the prior year.

## CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

SBT Bancorp, Inc. / The Simsbury Bank & Trust Company

☒ **Increase securities purchased (ABS, MBS, etc.).**

For the year ending December 31, 2010, bank investments such as interest bearing deposits with the FRB, FHLB and other financial institutions, money market mutual funds, fed funds sold, and investment in securities increased by \$11 million above the prior year.

☐ **Make other investments.**

☒ **Increase reserves for non-performing assets.**

\$755 thousand was added to the Allowance for Loan and Lease Losses through a loan loss provision in 2010.

☐ **Reduce borrowings.**

## CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

SBT Bancorp, Inc. / The Simsbury Bank & Trust Company

☒ **Increase charge-offs.**

\$647 thousand in loan charge-offs were recorded in 2010.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☐ **Held as non-leveraged increase to total capital.**

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

SBT Bancorp, Inc. / The Simsbury Bank & Trust Company

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

N/A

## CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

SBT Bancorp, Inc. / The Simsbury Bank & Trust Company

### What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

During 2010, Simsbury Bank experienced loan growth of approximately 6% and core deposit growth of approximately 14%. Meeting the demands of our local community during this time of economic uncertainty and financial market stress would have been impossible without participation in the CPP. With the capital provided by the CPP, we were able to accommodate local deposit demand and lend a large share of those deposits to local businesses and households. Throughout this difficult period, we remained a well capitalized, safe and sound financial institution fulfilling the Bank founders' mission of providing outstanding, personal service to our customers, being open for lending in good economic times and bad, helping our customers achieve their life goals and contributing to a healthy economy and quality of life within the communities we serve.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

SBT Bancorp, Inc. / The Simsbury Bank & Trust Company

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

N/A